

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

JOSHUA JARRETT, JESSICA JARRETT

Plaintiffs,

v.

UNITED STATES OF AMERICA,

Defendant.

Case No. 3:21-cv-00419

DECLARATION OF JOSHUA JARRETT

I, Joshua Jarrett, declare as follows:

1. I am a Plaintiff in the above-entitled action. I currently reside in Nashville, Tennessee. I have personal knowledge of the facts stated in this declaration.
2. During all times relevant to this litigation, I have been the owner and CEO of Quantify Fitness, a small business based in Nashville, Tennessee.
3. I own Tezos cryptocurrency tokens. I intend to use these tokens and network in my business.
4. In 2019, and in every year since, I have engaged in a staking enterprise, whereby I have employed both my Tezos tokens and my computing power to create new blocks and new tokens on the Tezos public blockchain.

5. I intend to continue engaging in such staking enterprise for the foreseeable future.

6. In 2019, I created 8,876 new Tezos tokens through my staking enterprise. I did not sell, exchange, or otherwise dispose of these tokens during 2019.

7. In 2020, I, together with my wife Jessica Jarrett, properly filed a Form 1040-X with the Internal Revenue Service in respect of my 2019 taxable year, along with an exhaustive factual record and extensive legal reasoning, requesting a refund of the taxes we paid on the tokens I created.

8. Having received no response from the Internal Revenue Service, I, together with my wife Jessica Jarrett, by and through our counsel, filed suit in the Middle District of Tennessee in May 2021, seeking, among other things, a judgment that the disputed federal income taxes were erroneously assessed.

9. On or about December 21, 2021, my counsel informed me that the government had proffered a refund of \$3,793 plus statutory interest.

10. After the government's proffer, my counsel also informed me that—based on their conversations with the government's counsel—if I accepted the government's proffer, I would not receive a judicial determination or further relief that I had sought through my lawsuit, nor would the Internal Revenue Service provide me with any assurance that it would not challenge me on this issue in the future. Therefore, I concluded that I would remain at risk even if I accepted the proffered refund.

11. Accordingly, I directed my counsel to reject the proffered refund and continue to seek a judicial determination and any further relief sought through my lawsuit.

12. Despite my rejection of the proffered refund, my counsel informed me that on February 15, 2022, he received a check from the IRS for \$4001.83 made out to myself and my wife.

13. I have not cashed, and do not intend to cash, this check, which remains in the possession of my counsel.

14. In my 2020 and 2021 taxable years, I did not have deductions, losses or other items that would prevent my reporting of another overpayment.

15. I am not aware of any other case addressing this issue currently pending in any court.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed in Nashville, Tennessee on March 14, 2022.

By:  _____